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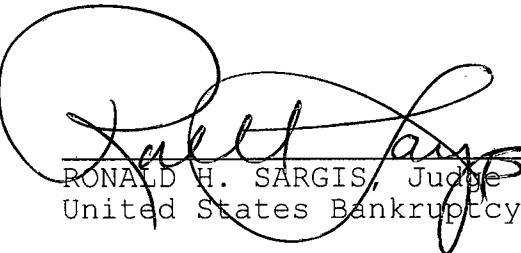
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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA5  
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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA9  
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In re ) Case No. 12-92570-E-12  
COELHO DAIRY, ) Docket Control No. TOG-23  
Debtor. )  
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SUPPLEMENT TO FINDINGS OF FACT  
AND CONCLUSIONS OF LAW12  
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The Evidentiary Hearing on the Objection to the Claim of Black  
Rock Milling, LLC (Proof of Claim No. 24), was conducted on  
November 4, 2014. The Objection was filed by Coelho Dairy, a  
partnership, the Plan Administrator and Debtor under the Confirmed  
Chapter 12 Plan in this bankruptcy case. On November 20, 2014, the  
court stated its findings of fact and conclusions of law on the  
record at the continued hearing on this Motion pursuant to Federal  
Rule of Civil Procedure 52 and Federal Rules of Bankruptcy  
Procedure 7052 and 9014.23  
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The court issues this Supplement to Findings of Fact and  
Conclusions of Law as stated on the record. The Supplement is made  
to place in the record written copies of the information and  
spreadsheets used by the court in organizing the financial  
information presented by the parties.28  
Addendum A hereto is the court's computation of post-petition

1 interest and determination of the allowed claim. The total finance  
2 charges asserted by Black Rock Milling, LLC, for Proof of Claim  
3 No. 24, which included post-petition finance charges, was  
4 \$306,792.81. Using the evidence presented by the testimony and  
5 Exhibits (including Exhibits B, C, and 5), the court computes the  
6 post-petition portion of the finance charges to be \$60,783.23.

7 Addendum B is a Microsoft Excel spread sheet created to test  
8 the testimony of Albert Nunes, the expert witness presented by  
9 Coelho Dairy, a partnership, that Black Rock Millings, LLC's  
10 computation of the finance charges provided for the compounding of  
11 interest, and Black Rock Milling, LLC's testimony that the finance  
12 charges were computed at a non-compounded, simple interest rate of  
13 1.5% per month, with payments provided to the principal and  
14 interest of the oldest outstanding invoice when paid (First-In,  
15 First-Out accounting method for applying payments to the debts  
16 arising from a series of invoices on one credit account). As  
17 stated on the record, the court's review of the computation of the  
18 finance charges by Black Rock Milling, LLC, demonstrates that there  
19 is no compounding of the finance charges.

20 Dated: November 25, 2014

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22   
23 RONALD H. SARGIS, Judge  
24 United States Bankruptcy Court  
25  
26  
27  
28

# **ADDENDUM A**

AND

## COMPUTATION OF ALLOWED CLAIM

## Computation of Post Petition Interest

Information From Exhibits B, C, and 5

Post-Petition Contract Interest Included By  
Creditor

Oct 2012	\$3,651.69
Nov	\$3,533.93
Dec	\$3,651.69
Jan 2013	\$3,651.69
Feb	\$3,298.34
Mar	\$3,651.69
Apr	\$3,533.93
May	\$3,651.69
June	\$3,533.93
July	\$3,651.69
Aug	\$3,651.69
Sept	\$3,533.93
Oct	\$3,651.69
Nov	\$3,533.93
Dec	\$3,651.69
Jan 2014	\$3,651.69
Feb	\$3,298.34
Mar	none listed
Apr	none listed
May	none listed
	\$60,783.23

Post-Petition Interest Included by  
Blackrock Milling Co., LLC

## Computation of Allowed Claim

## Post-Petition Interest Disallowed

Total Interest Computed by Blackrock	\$306,792.81	Exhibit C, Pg. 13
Disallowled Post-Petition Interest	(\$60,783.23)	Exhibit 6, Pg. 20
	-----	
Allowed Pre-Petition Interest	\$246,009.58	
Stipulated Principal Balance	\$114,281.22	
	-----	
Total Allowed Claim	\$360,290.80	

## **ADDENDUM B**

**ADDENDUM B TO SUPPLEMENTAL FINDINGS**  
**COMPUTATION CHECK FOR COMPOUNDING OF INTEREST**

**COMPOUNDING OF INTEREST CHECK - Information From Exhibit B Invoices and Exhibit C Transactions Report**

This Addendum was used by the court in sampling check of the contention that there was compounding of interest. The stable and declining per day interest is indicative of interest not being compounded

Per Day Interest Calculation	Payments During Month Period	Addition of Finance Charge For Specified Month Period			Estimated Principal Balance for Interest Billed by Black Rock Milling, LLC
		Finance Charge For Specified Month Period	Balance Due For Statement Payments at Month End	Subtraction of Payments at Month End Check	
10/31/10			\$319,423.16		
11/30/10	\$128.91	\$0.00	\$3,867.35	\$323,290.51	\$261,404.21
12/21/10 21 days Finance Charge before payment	\$128.91		\$2,707.14		
12/21/10 Payment		(\$5,000.00)			
12/31/10 10 days Finance Charge after payment	\$128.91		\$1,289.12		
12/31/10	\$128.91		\$3,996.26	\$322,286.77	\$261,404.10
1/19/11 19 days Finance Charge			\$2,449.29		
1/19/11 Payment		(\$3,000.00)			
1/19/2011 No Additional Finance Charge for Remaining 12 Days of January	\$128.91		\$2,449.29	\$321,736.06	\$261,400.83

Formula for Estimating Principal Balance for Finance Charge:

*Principal Balance =*

*Finance Charge for Period*

*Number of Days in Period*

*x*

*365 (days in one year)*

*18% Annualized Interest Rate*

*FN.I.*

**ADDENDUM B TO SUPPLEMENTAL FINDINGS  
COMPUTATION CHECK FOR COMPOUNDING OF INTEREST**

<b>2/25/2011</b>						
With 12 January Days + 25 February Days	<b>\$123.49</b>		\$4,568.98	\$326,305.04	\$326,305.04	\$250,402.06
<i>Finance Charge</i>						
<b>3/1/11</b>			<b>(\$3,000.00)</b>			
<i>Payment</i>						
<b>3/31/11 3 February Days and 31 March Days</b>						
<i>Finance Charge</i>			<b>\$4,198.58</b>			
<b>3/31/11</b>						
With 3 February Days and 31 March Days	<b>\$123.49</b>		<b>\$4,198.58</b>	<b>\$327,503.62</b>	<b>\$327,503.62</b>	<b>\$250,405.51</b>
<i>Finance Charge</i>						
<b>4/1/11 1 Day Finance Charge</b>	<b>\$123.50</b>		<b>\$123.50</b>			
<i>4/1/11 Payment</i>			<i>(\$3,000.00)</i>			
<b>4/30/11 29 Days</b>						
<i>Finance Charge</i>	<b>\$122.66</b>		<b>\$3,557.02</b>	<b>\$328,184.14</b>	<b>\$328,184.14</b>	<b>\$248,775.89</b>
<b>4/30/11</b>	<b>\$122.68</b>					
<i>Finance Charge</i>						
<b>5/02/11 2 Days Finance Charge</b>	<b>\$122.64</b>		<b>\$245.27</b>			
<i>5/02/11 Payment</i>			<i>(\$2,800.00)</i>			
<b>5/31/2011 29 Days</b>						
<i>Finance Charge</i>	<b>\$122.66</b>		<b>\$3,557.02</b>	<b>\$329,186.43</b>	<b>\$329,186.43</b>	<b>\$248,716.10</b>
<b>5/31/11</b>	<b>\$122.65</b>					
<i>Finance Charge</i>						
<b>6/01/11 1 Day Finance Charge</b>	<b>\$122.67</b>		<b>\$122.67</b>			
<i>6/01/11 Payment</i>			<i>(\$3,000.00)</i>			
<b>7/1/2011 30 Days</b>						
<i>Finance Charge</i>						
<b>7/1/11</b>	<b>\$121.89</b>		<b>\$3,778.64</b>	<b>\$329,965.07</b>	<b>\$329,965.07</b>	<b>\$247,169.10</b>

**ADDENDUM B TO SUPPLEMENTAL FINDINGS**  
**COMPUTATION CHECK FOR COMPOUNDING OF INTEREST**

7/1/11 Payment		(\$3,000.00)				
8/1/11 Payment		(\$3,000.00)				
8/1/2011 31 Days Finance Charge		\$3,777.80				
<b>8/1/11</b>	<b>\$121.86</b>	<b>\$3,777.80</b>	<b>\$327,742.87</b>	<b>\$327,742.87</b>	<b>\$247,114.16</b>	
8/31/11 30 Days Finance Charge						
8/31/11 Payment		(\$3,000.00)				
<b>8/31/11</b>	<b>\$121.87</b>	<b>\$3,655.97</b>	<b>\$328,398.84</b>	<b>\$328,398.84</b>	<b>\$247,116.49</b>	
9/30/11 30 Days Finance Charge						
<b>9/30/11</b>	<b>\$120.52</b>	<b>\$3,615.53</b>	<b>\$332,014.37</b>	<b>\$332,014.37</b>	<b>\$244,383.05</b>	
10/3/11 3 Days Finance Charge						
10/3/11 Payment		(\$3,000.00)				
11/03/11 31 Days Finance Charge						
11/03/11 Payment		(\$3,000.00)				
<b>11/3/11</b>	<b>\$120.05</b>	<b>\$4,081.54</b>	<b>\$330,095.91</b>	<b>\$330,095.91</b>	<b>\$243,425.18</b>	
11/30/11 27 Days Finance Charge						
<b>11/30/11</b>	<b>\$119.13</b>	<b>\$3,216.49</b>	<b>\$333,312.40</b>	<b>\$333,312.40</b>	<b>\$241,567.66</b>	
12/05/11 5 Days Finance Charge						
12/05/11 Payment		(\$3,000.00)				
12/31/11 26 Days Finance Charge						
<b>12/31/11</b>	<b>\$119.13</b>	<b>\$3,097.33</b>	<b>\$334,005.40</b>	<b>\$334,005.40</b>	<b>\$241,567.20</b>	

FN.1. The formula is the following mathematical equation restructured to compute the amount of principal using the other known data points. Using the December 2011 finance charge information, the original formula is stated as follows:

Principal x 31 Days x Daily Interest Rate [18%/365 Days in One Year] = \$128.91

## Instructions to Clerk of Court

**Service List - Not Part of Order/Judgment**

The Clerk of Court is instructed to send the Order/Judgment or other court generated document transmitted herewith to the parties below. The Clerk of Court will send the Order via the BNC or, if checked       , via the U.S. mail.

**Debtor(s), Attorney for the Debtor(s), Bankruptcy Trustee** (if appointed in the case),  
and XX Other Persons Specified Below:

Office of the U.S. Trustee  
Robert T. Matsui United States Courthouse  
501 I Street, Room 7-500  
Sacramento, CA 95814

Michael J. Dyer  
5250 Claremont Ave., Ste. 119  
Stockton, CA 95207